



### **EDITOR'S NOTE**

#### by Julianne Greer

Thank you for joining us for another week of The Escapist. This week's theme is Import/Export. We have invited our writers to explore the ways this flow of goods and services affects the gaming scene. Allen Varney discusses an upcoming import from Croatia, Serious Sam 2, and the background of the company behind it, Croteam. Mark Wallace takes a different approach to the theme of the issue and delves into the virtual world import/export. Last, Spanner looks at Brazil and the nontraditional pattern of hardware adoption found there. Enjoy these articles and more in this week's issue of The Escapist.

Cheers,

Julian Com

### LETTERS TO THE EDITOR

**To the Editor:** Just for the record - Trip Hawkins is **not** the Antichrist.

The story of the decline-and-gutting of Origin by EA is not a happy one; but let us be clear that, by the time EA did gut Origin, Trip had been long gone from EA. And while Trip is indeed a controversial figure in the field, and more than a bit of an operator (I'm reminded of Noah Fallstein's reference to the "Trip Hawkins reality distortion field,") I'd also like to suggest that in some ways, he has been a force for good.

Remember what EA stands for? It stands for "Electronic Arts," and in its early days (e.g., when Trip was its co-founder and still running the joint), it ran ads asking "Can a game make you cry?" and actively promoting artists like Chris Crawford and Dan Bunten as the leading lights and innovators of a new form of digital entertainment.

That EA stands for nothing like this today is an indictment of its current management - but not of Trip.

And I don't know if anyone else remembers this, but in its final days, as 3DO was headed for the knacker's yard, Trip put up a big chunk of his own financial resources to try to keep it going, even as 3DO embarked on an (ultimately fruitless) quest to obtain more money to stay in business. He lost the lot. I'd venture to suggest that there are very few highly placed executives in any American business who would risk the same. He put his money where his mouth was.

In his letter in your last issue if *The Escapist*, Trip was, I think, understandably irate at the characterization of him as a prime mover behind the decline and fall of Origin - in a piece written by my old friend, Allen Varney. It was a well written piece, with the skeptical attitude that *The Escapist* has become justly renowned for - and Allen was, after all, quoting others, not saying this himself. But - when you come down to it, Trip doesn't deserve this.

For the record, I am not now, nor have I ever been, an investor in, advisor to, or associate in any way, of EA, 3D0, or Digital Chocolate (Trip Hawkins's current venture).

#### -Greg Costikyan

To the Editor: "Guns, Gangs and Greed" perpetuates the illusion of race. By identifying a group of people based on physical traits and claiming they are somehow disadvantaged because no one chooses to create content that features characters having these traits, the article engages in racism. We don't see articles bemoaning the fact that very few (any?) protagonists have red hair, and an article based on this premise would probably receive the appropriate level of befuddlement, bemusement and derision that it deserves. Please stop perpetuating the illusion of race. It does no one any service and only helps perpetuate the artificial class boundaries that other racists have constructed.

#### -Gregory Bloom

**To the Editor:** Oh, good god. What's the deal? Trying to get some advertising revenue from MTV?

How about an edition about how amateur radio has parallelled gaming? First, they entered public consciousness with CB. Then, they broke out into the corporate big time with wi-fi... But I suppose no one fantasizes about being a 1337 HAM operator.

#### -Michael Hobbs

**To the Editor:** Oh, for the sake of all that's holy with music, do **not** be calling the likes of Tupac and Biggy and Jo-Lo "hip hop."

Ask any real hip hop head what hip hop means, and they will tell you without hesitation - MCing, DJing, Breaking and Graffiti.

These are the four elements of hip hop, as integral as Earth, Air, Fire and Water are to Magic Users in an RPG.

Without them, there is no culture. Hip hop is all about the four elements. A simple wikipedia search would reveal even this much

Most of these rappers' 'DJs' wouldn't know a tweak scratch from a crab. Hell, most of them just use CDs or, even worse, a laptop! In my interview with Grandmaster Flash, he continually talked about how the DJ created hip hop, and how 'rap' is losing that fundamental aspect of hip hop, burying it under a sea of bling.

You can't "break" to rap, the beats are too slow and they don't flow. There's no build up or breakdown of the beat anymore. No time to spin on your back, spin on your knee and then Freeze.

None of these rappers have touched a can of spray, except maybe to fix up a chip in their Escalades. None of them are interested in street art, in pieces, and most of them have never ridden the subway. None of them feature Graf on their covers, just themselves and their stinking bling.

And as for MCing, most of these rappers have other people write their rhymes, and would be lost in a proper MC battle. And the lyrical content of the raps often seems like it's written by George Bush!

Use the term Street, Urban, R&B (no, on second thought **don't** use R&B... BB King is R&B, Usher is just pop). Just don't be suckered into the marketing machine. It's not hip hop.

#### -Funky J

To the Editor: Greg Costikyan's "Death to the Games Industry: Part 2" practically had me in tears, so inspiring did I find the idea of a world in which games don't suck anymore. The impact was partially dependent on the fact that this brilliant future of gaming is a long way off, if it ever comes at all, and partially because it would put me out of a job.

I work at one of the major retailers, and one of the biggest topics of discussion is the piles of over-marketed, demographic-targeting schlock we receive in boxes every day. The fact that I am expected to stifle my desire to tell customers how truly dreadful some of the games they purchase are, is bad enough. I, and the other hardcore gamer employees, feel even more defeated knowing that 90% of them won't listen to us.

And it is not just those of us at the fringes of the industry who bemoan the situation, but those working much deeper inside it. A day after the release of The Warriors, one of the most heavily marketed games in the past few months, a regular customer who works for Rockstar came in to pick up ... Stubs the Zombie. Even as he handed us Rockstar logo emblazoned key chains/PSP screen cleaners, he complained about the lack of innovation caused by the pressures put on developers. And then he left, happy to have a quirky title to play, after months of working on a game for the mass-market. And I had a glimmer of hope that one day I might be unemployed.

#### -Cait O'Connor





### Serious Cro

### Shooter genre blown open by Croteam (who?) in Croatia (where?) by Allen Varney

Wait... Clowns? I'm shooting **clowns**? Is this a joke? Clowns - throwing explosive pies, no less.

And that martial arts master! He's so intensely, graphomorphologically screwed up I'm about to lose my lunch. Wait wait! There's about two dozen more of him, ewwwwgh! Crap, a whole batallion of screwed-up senseis with Godzillan megaclaws, leading armies of chicken-leg robots, floating tyrannosaurus heads, and zombie stockbrokers with Italian accents. You gotta be kidding!

I'm supposed to ride around in a spiked hamsterball and fight these weirdies with my circular saw, my six-barreled shotgun, and ... a parrot? The Klodovik bird flies up and drops a bomb on them? You're putting me on, right?

And this game was made in **Croatia**?

Okay, now I know this is a joke.

#### But Seriously, Sam...

Serious Sam 2, out this month from Take Two Interactive's 2K Games, is the sequel to Croteam's breakthrough 2001 first-person shooter Serious Sam: The First Encounter and its other half, Serious Sam: The Second Encounter (2002). In each game the appeal is straightforward:

- **1**. Vast bright colorful wide-open levels, filled with
- **2**. Huge stampeding hordes of onrushing enemies nonono, much larger hordes than you're thinking which you
- **3.** Killkillkillkill crazy-fast-frantic until spittle flies from the corners of your mouth.

The Serious Sam experience is superheterodyned mayhem start to finish, pure as a Mondrian painting. There are porn flicks with stronger storylines: You're Sam "Serious" Stone,





a soldier sent to ancient Egypt from Earth's future to forestall invasion by the evil alien overlord Notorious Mental. It hardly sounds promising, yet when Croteam's early Technology Test hit the Web in June 2000, you could hear the heads of jaded *Quake III* deathmatch assassins whirring around on their necks like Linda Blair in *The Exorcist*. Their jaws gaped, their fingers twitched spastically, and as one they all said, "Kiiiiick ASS! This is how I felt the first time I played *DOOM!"* 

Comparisons to DOOM led the Serious Sam reviews. With over 2,100 first-person shooters published since DOOM in 1993, it's remarkable (if that's the word) how few we consider innovative today: Descent, Marathon, Dark Forces, Quake, 007 Goldeneye, Unreal, System Shock, Half-Life, Starsiege: Tribes, Rainbow Six, Counter-Strike, Thief, Soldier of Fortune, Deus Ex, Halo, Half-Life 2, arguably No One Lives Forever and Jedi Outcast, and right now you're screaming five or six more titles this list leaves out. Call it two dozen real innovations in 2,100 tries. Sheesh.

No one tried hard to argue *Serious Sam* was innovative, except in its spacious

levels and budget \$20 price. Why did it strike so many players as fresh? It. Was. **Fun**. What a concept.

But ... Croatia?

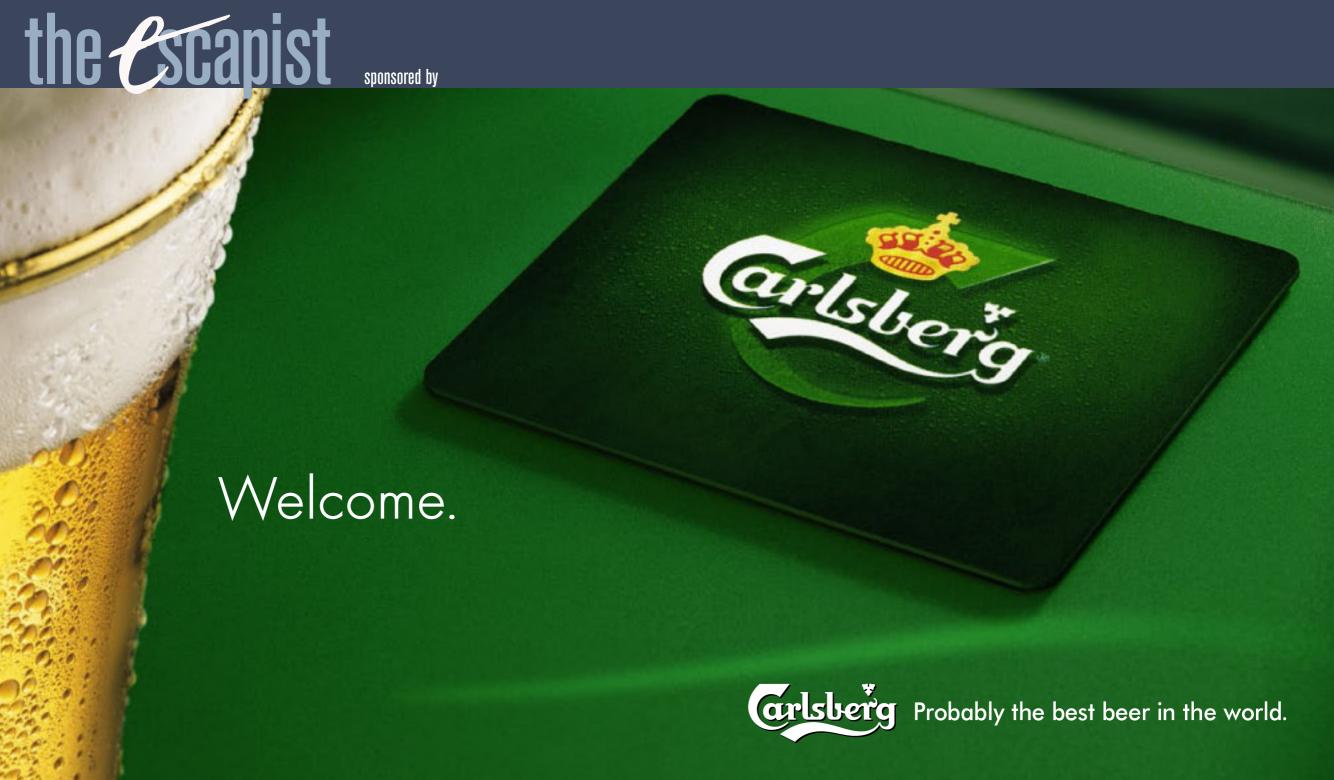
#### **Serious History**

Croteam makes a cameo in *Serious Sam: The First Encounter*. On the first level (Hatshepsut) you can rescue ten big-headed staffers from captivity. Then they follow you around like geese, only to die under withering Bio-Mechanoid gunfire.

Though Croteam is based in Zagreb, its history is interesting in that it's completely ordinary:

1993: Six longtime friends form
Croteam and create a Sokoban computer
game for the Amiga. Their next game,
released the same year, is Football Glory
for PC and Amiga, a knockoff of Sensible
Soccer. Sensible Software threatens
legal action, so Croteam ceases
development; they release Football Glory
as freeware in 1998.

**1995**: Save The Earth, a children's game based on a Croatian TV series (Amiga 4000).





### Croteam resolved to break into the PC gaming business by creating the game they themselves would want to play...

**1996**: *5-A-Side Soccer*, an indoor version of *Football Glory* for the Amiga, which by then had already ceased production.

With this history, Croteam could be any small American studio, if you switch out "soccer" with "American football" and "Amiga" with "dead platform of your choice." And have the legal threats coming from Electronic Arts.

With no good prospects, Croteam resolved to break into the PC gaming business by creating the game they themselves would want to play, an action shooter with bright, open spaces and tons of onscreen enemies. Artist Dinko Pavicic recalled on his home page, "At that time we didn't have publisher, money - nothing. That was the golden age when we were working in rented flat on computers that our mamas bought."

Because they couldn't afford to license an existing engine, Croteam had to write one themselves - the "Serious Engine." Its first public Technology Test in 2000 impressed Erik Wolpaw of the acidulous humor site Old Man Murray (OMM): "It's an amazing piece of work by a tiny group living in a country most people thought had been blown up a few years ago. [...] It's just the kind of uplifting, underdogs-struggling-against-impossible-odds success story that could only happen in America or Croatia."

In an unprecedented display of actual journalism, Wolpaw interviewed Croteam CEO Roman Ribaric in June 2000 and April 2001:

**Erik**: We contacted a very famous pampered American webmaster and asked him for his thoughts on *Serious Sam*. He was pretty dismissive, and he said that *Serious Sam* seemed "unprofessional". Do you have assholes like that in Croatia?

**Roman**: First, something about Croatian mentality. There is a saying here: "It's not important that my cow is dying, as long as my neighbour's cow dies, too." [...] Explaining that, majority over here in Croatia think that Sam is okay, but it's nowhere near [Unreal Tournament] or [Quake III]. Also, they think engine is not so good. In our newsgroups we are losing to the Daikatana.

OMM's publicity helped Serious Sam secure an American distribution deal through On Deck Interactive. In gratitude, Croteam stuck Erik in Sam's Hatshepsut level and put an in-joke in the Sacred Yards level. In honor of OMM's famous diatribe against one particular shooter cliche, the Crate Review System ("Games can be rated and compared based on the shortest amount of time it takes a player to reach the first crate, which represents the point where the developers ran out of ideas"), Croteam installed a switch that transforms an ancient pyramid into an immense stack of crates.

#### Croatia?

You could say *Serious Sam* put Croatia on the gaming map, except most American gamers probably still can't find it. The Balkan state, formerly part of Yugoslavia, lies on the Adriatic coast of

the Mediterranean, opposite Italy. (Can American gamers locate Italy on a map? Don't ask.) The country is beautiful and lushly forested, a big European tourist destination whenever it's not embroiled in bloodshed.

Croatia last hit the headlines in 1991-1995, during the "ethnic cleansing" genocides and relocations after Yugoslavia's breakup. Today, as a sortof-industrialized, sort-of-democracy, Croatia is peaceful and making news as a candidate for the European Union. Artist Admir Elezovic commented in a 2001 interview that the difficulty of working in Croatia has to do with perception: "We are coming from a country that was at war a few years ago. People had a hard time believing that someone from a small European country could make anything good (some people even thought there were no computers in Croatia)."

You could say Serious Sam put Croatia on the gaming map, except most American gamers probably still can't find it.

Pish tosh. Robert Westmoreland, who made the original deal with Croteam for American distribution of *Serious Sam*, said in a GameSlice interview, "The office they [Croteam] have is very much like that you would find for a developer of their size in the States, and the equipment they use is updated. Money is money no matter where you are."

Manpower and equipment are readily available, but Croteam programmer Dean Sekulic highlights the real barrier for growth, "The problem in Croatia is not lack of talent or knowledge. Quite the opposite - we do have lots of talented people who are capable of making excellent games, but it's impossible to find the financing."

So Croteam found some of their own money. They financed the new *Serious Sam 2* partly through licensing of the Serious Engine. It went for \$20,000 - 100,000, about 10-20% of the price of the *Quake III* engine at the time. Of 14 licensees, only two made it to the shelves, both in 2004: the mediocre *Alpha Black Zero: Intrepid Protocol*, created by Dutch studio Khaeon and published by Playlogic; and *Nitro Family*, by short-lived Korean studio Delphieye,

published (for about five minutes) by Valusoft. Croteam hasn't yet announced licensing terms for its new Serious Engine 2.0.

So that's the how, but that leaves us with why? Is there any reason why Croats, in particular, would devise *Serious Sam*?

It is unrewarding to search the game for Rosebud-like antecedents in Croatian history or culture. Granted, the Croats' gory 13-century history is a chronicle of bitter struggle against their blood enemies, the Serbs - also the Bosniaks, Montenegrins, Venetians, Ottoman Turks, Hungarians, Austrians, Jews, Gorani, and Roma, but above all the Serbs. Yet it would be asinine to compare that tragic chronicle to *Sam's* onrushing waves of Beheaded rocketeers, Kleer skeletons, Sirian werebulls, Scythian witch-harpies, Aludrian reptiloid-highlanders, Zumb'uls from planet Ras'Ad'Nyk, incredibly annoying Reeban Electro-Fish, and Santa

Claus. To expect any given game to reflect some putative national character is like expecting one individual to conform to the stereotypical traits of a whole race.

Well then, having seen Croteam's success, will other Croats follow, transforming their country into a juggernaut of electronic entertainment? Stranger things have happened in history; for a hundred years, all the best clocks and watches came from





Switzerland. So far, though, there are hardly a dozen game companies in the entire Balkan region, all quite small, plus a few freeware and shareware indies.

The obstacles to success are, pardon the pun, serious. Money is critically tight, and the government is corrupt. In Transparency International's 2005 Corruption Perceptions Index, Croatia ranked 70th out of 159 countries with a low score of 3.4 on a scale of 10 (10 being the least corruption), tying with Burkina Faso, Egypt, Lesotho, Poland, Saudi Arabia, and Syria. (America was #17 with a score of 7.6. Number 1 was Iceland, 9.7.) More ominously for business, it's always possible some Army thug will try another ethnic cleansing.

But the Croteam story does herald a larger and more interesting future hotbed of gaming: Earth.

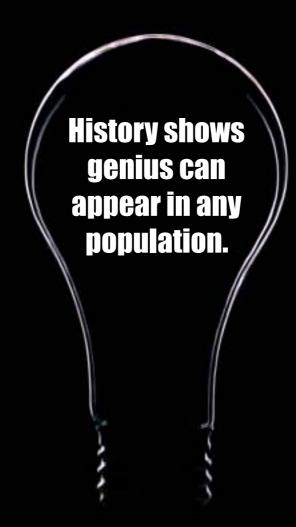
#### **Serious Implications**

Serious Sam, for all its frivolity, really does portend a lesson about globalization. Not as in, "We're gonna lose all our jobs to Croatia," but as in, "Soon lots more people everywhere will create games." Only a small fraction of any given population cares to make

games, but to date, hardly more than a billion people, a sixth of the world's population, could have tried even if they wanted to. In the next few years to a decade, the required tech will become available to another sixth or third of Earth's people: urban China, some of the former Soviet republics, south and southeast Asia, Brazil, Argentina...

Commodity computers go for U.S. \$200, a week's income in Croatia. Linux is open-source, and Windows sells across much of the world for a buck per pirated CD. All the application software for creating games - office suites, compilers, textures, animation, audio - is either free, open-source, or pirated on BitTorrent. On the Web you can find programming texts, math texts, and tutorials, and you can market your game from a cheap domain. For most people, the last remaining tech bottleneck is broadband. It's anyone's guess how long that will take, but broadband penetration, though uneven, is accelerating.

Of course, that's just technology. There are two stronger limitations. First, culture: Will a Laotian cobbler or burkah-clad Tajik grandmother conceive a



burning desire to create first-person shooters? Stranger things have happ - actually, no, they haven't. The new game creators will probably come from the same demographic as the current bunch: young male scions of relatively upscale families, or obsessive proto-geeks willing to cross broken glass to code. Such people indisputably exist. The interesting question is, how many are there?

Which brings us to the second limitation: talent. History shows genius can appear in any population. Our current game gods - Miyamoto, Carmack, Meier, and that lot - are they each one-in-a-million? In-ten-million? Probably they're far more common, given that Zagreb alone fielded six guys who can kick serious butt. But even if you set the standard high - one in a hundred million? - in the next few years we should see ten or 20 new game gods, all from places you couldn't find on a map.

Brace yourself...

Allen Varney designed the PARANOIA paper-and-dice roleplaying game (2004 edition) and has contributed to computer games from Sony Online, Origin, Interplay, and Looking Glass.

### **Balancing Act**

#### by Mark Wallace

Enormous container ships, endless strings of boxcars, 18-wheeler tractor-trailers blowing past you on the highway as you struggle to get your iPod hooked into your car stereo. That's the import-export business as the world has thought of it for decades. "Made in China" are the words U.S. Treasury Secretary John Snow fears most, because to him they spell cheap imports flooding our markets and driving down the prices U.S. manufacturers can get for their own goods.

One of the things that has kept China's products cheaper than many of those made in Europe or America are the lower labor costs in the enormous Asian country, with its population of 1.3 billion souls. Many Western consumers are happy to sacrifice a small amount of quality in return for a large monetary savings. And more and more Chinese products are on a par with those of the West these days in any case, meaning there's no sacrifice for the consumer at all.

As gamers know, cheap labor costs - not just in China but anywhere in the world - can have an impact on their online lives as well. Everyone has heard tales of Chinese gold farmers who while away the hours monopolizing spawn sites in *World of Warcraft*, while honest adventurers are forced to look elsewhere for their experience points.

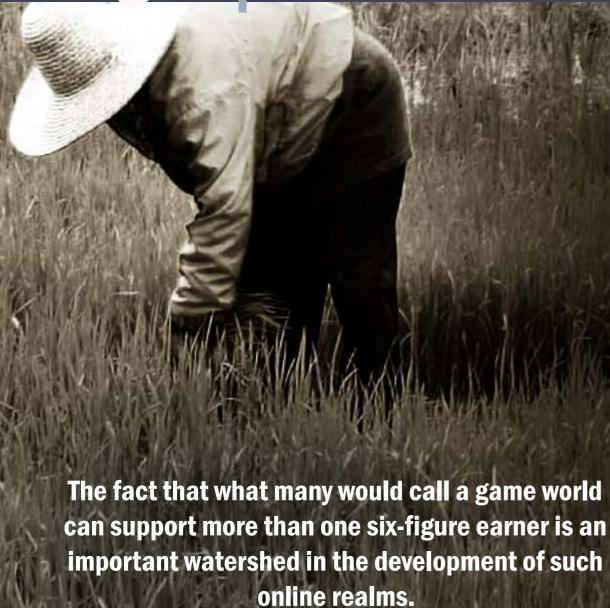
Just looking at a gold farmer in World of Warcraft or a macro-miner in EVE won't give you the first clue as to their typist's real-world whereabouts, of course. But enough evidence has surfaced in recent months to make it clear that the employment of gamers in low-income countries as virtual laborers in the service of a larger organization is a very real phenomenon. No container ships here. All you need is a fast Internet connection in Shanghai or Seoul and you're free to import all the WoW gold pieces you like, pay your workers a pittance and then re-export them via eBay or IGE.com at a tidy profit.

The problem most gamers have with such schemes is that gold farmers, whether they're located in Boston or Beijing, aren't really playing the game. World of Warcraft is meant to be filled with avatars all intent on more or less the same thing: seeing the world, gaining experience, besting mobs and crossing swords when the opportunity arises. The only laborers on your server are meant to be NPCs, and if those get in the way you are welcome to kill them. Well, most of them.

But playing the game can mean different things to different people. Rodney the Wrathful may be hoping for renown as the most vicious player killer in the land, but Luke SkyMerchant might want to build an interstellar ship manufacturing empire without ever firing a shot. Both would be valid roleplaying choices in any number of virtual worlds. If your favorite asteroid belt has been mined out, it doesn't mean a macro-miner was there; maybe it was just Luke and his employees, gathering minerals for their next batch of Minmatar Stilettos.

The difference between work and play in virtual worlds gets more subtle when you consider the significant earning potential that such online environments already possess. In Second Life, for instance, more than one player earns something like \$100,000 a year from their activities in the world, according to Philip Rosedale, founder and CEO of Linden Lab, the company that runs Second Life. An avatar named Anshe Chung, one of Second Life's biggest real estate moguls, is famous on the Grid both for the reach of her virtual business and the real world earnings it generates.





Is Anshe working or playing, then? Linden Lab takes pains to point out that Second Life is not a game, but the virtual real estate business - where you can turn your holdings from barren desert into attractive, affordable suburb in a few short hours - has got to be more fun than its real world counterpart, especially if you're someone who likes to spend time in cyberspace. The fact that what many would call a game world can support more than one six-figure earner is an important watershed in the development of such online realms. But what does it tell us about the future of virtual worlds, and the economic potential they may or may not hold?

Right now, it takes considerable effort to earn a real-world living in a virtual world. One 20-something gamer I recently spoke with said he earned about \$25,000 a year in the three-and-a-half years in which trading *Ultima Online* artifacts was his only source of income. "I wasn't getting rich, but I wouldn't even call it work," he said. "It doesn't get any better than getting paid to play games."

But getting paid \$25,000 a year to play *Ultima Online* is not, in the end, much of

a living. (The gamer in question now earns more as a dog walker.) It's possible to do a lot better for yourself, but not without leaving the realm of play and getting deep in the world of work fairly quickly.

That's what Rich Thurman found during the two years in which he made more than \$50,000 a year in the same game. Thurman's operation had no element of play to it at all. Instead, it involved a network of 30 highly complex bots characters controlled completely via macro scripts and add-ons like EasyUO run from 20 computers in Thurman's house in Dallas and 10 more in a friend's garage in Phoenix, Arizona. So extensively programmed was his "staff" that each bot would stop once it had made 250,000 gold, summon another bot that Thurman had programmed as his gold collector, hand over the loot and then go back to what it had been doing before. Once he got it down to a science, each of Thurman's bots was earning more than half a million gold pieces an hour. At prices of \$15 per million gold pieces, Thurman's operation at times netted him more than \$20,000 a month.



# ISECOND THE LIFE

"Second Life is an extraordinary alternative world where you can do anything you want...The only limits to the ways characters can interact are the player's imaginations and a Utopian code..."

- London Times 4.16.05

JOIN NOW AND GET A BASIC SECOND LIFE ACCOUNT ABSOLUTIELY FREE

JOIN NOW!

But it also took a lot of Thurman's time: Programming bots, dodging GMs, keeping accounts current, siphoning gold off to eBay and negotiating with angry players and other gold farmers became a more than full-time job. In the end, Thurman told me, "It's just not where I want to spend my time." Thurman took six months off in which a third daughter was born, he moved to a new city and he switched jobs, and he never went back to UO. "I realized that I was missing out," he said.

Besides missing his family, Thurman wasn't having any fun - and it's fun that is the main export product of just about every virtual world.

Economic analyses often view virtual worlds through a set of blinders that discount anything but traditional economic motives - that is, the theory that the people involved in an economy are always trying to maximize various types of personal gain. The problem with this theory as it's been applied is that it's singularly incapable of measuring many types of gain. It easily explains why people compare price versus quality before they by, but it's not as good at explaining why you might blow a

hundred dollars on a nice drawing by a local artist, say, even though you know he's never going to be the next Andy Warhol. It's also not very good at explaining why people spend money to have fun.

One of the staunchest defenders of virtual world fun is economist Edward Castronova of the University of Indiana, who specializes in the study of virtual economics. When you buy his forthcoming book, Synthetic Worlds: The Business and Culture of Online Games (which you will do if you're more than casually interested in MMOGs, since it's an important piece of work), you'll be able to read about just how important Castronova thinks it is that we preserve entertainment in game worlds - and I agree with him. But economics may not be the best measure of what's fun in a game. By the same token, and more importantly for the future of the virtual import-export business, non-game worlds like Second Life may need to find a different economic model than the game world paradigm they currently operate on.

Castronova's view of virtual worlds is, not unexpectedly, deeply that of an





economist. Few of the elements of virtual worlds have value - whether in terms of economics or of fun - except in relation to something else. That's all well and good; economics, as Castronova reminds us, is the study of choice under conditions of scarcity. Without two or

That's a chilling vision of the future, if you ask me. The physical world will always offer things the virtual world will never be able to; at a minimum these include food, air, water and shelter. Now imagine an existence in which that's more or less all you get out of the real

### Game worlds would have to become work - at which point people would start looking for their fun somewhere else.

more things to choose between, there's not much for economics to grab onto.

But Castronova's analysis leads him into some surprisingly dark corners. At several points in the book, for instance, he posits a scenario in which a virtual existence could become more fulfilling and attractive than any that the physical world can provide. Some might maintain that this is already the case: most hardcore MMOG-heads would no doubt rather spend their time hacking orcs than slinging hash. And if they can earn a living while they're doing it, so much the better.

world, and most of your deeper satisfactions come from cyberspace. That's a picture of a desperately impoverished physical world. It probably won't come to pass, but it's worth keeping in mind. There is always the danger that we will eventually move **too far** into virtual worlds. If we turn our backs on the real world, it can only hasten the arrival of a scenario like the one Castronova imagines.

In the near term, of course, there's little danger. In fact, game worlds will probably never provide the conditions in which even making a living is more fun in cyberspace than in meatspace. For a

small fraction of gamers, this may be possible. But for game worlds to provide even a subsistence wage for a large number of people at once, they would have to steer themselves away from an economy of fun and toward one that more closely resembles the real world economy that we're contemplating getting away from in the first place. Game worlds would have to become work - at which point people would start looking for their fun somewhere else.

For some, game worlds are already work. Back to China, where one goldfarm worker profiled in a recent article earns \$150 a month for overseeing a macro bot in *Lineage II*. Not a lot of money by Western standards, but according to World Bank figures, it's about 60 percent more than the average monthly wage in China, equivalent to a worker in the U.S. earning almost \$4,300 a month instead of the national average of just over \$2,675. Is he having fun? I don't think so. According to the article, he puts in 12-hour days during which the most creative activity he gets up to is dodging GMs and angry players.

Fun and profitability are not necessarily mutually exclusive. But the real world hasn't yet found an equilibirum point at which most people love the things that earn them money. Game worlds may offer a larger set of **narratives** than you can find in the real world, but they support only a smaller set of real activities. There's no reason to think that game worlds will be able to solve the work satisfaction problem anytime soon, if at all.

Game worlds will never really be fit places to hold a job. But far more potential lies in non-game online worlds like *Second Life*. Even here, though, we've only just begun to scratch the surface. Stories of virtual land barons earning six-figure incomes may raise eyebrows among non-gamers and even

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get gamers scratching their chins, but from a different point of view, such tales illustrate not how much potential there is in *Second Life* (the only VW that currently matters in this regard), but how poorly virtual worlds are living up to that potential.

Second Life is on the cutting edge in this regard. However, the fact is that business conditions there, as measured in real world terms, are not yet ready for prime time, for one simple reason: Though Linden Lab advertises Second Life as an online environment created by its residents, a place with unlimited possibility for business, fun and cultural and social exploration, the world runs less like an open experiment and more like a very traditional game-world. It is a world in which the company calls the shots according to a poorly defined set of guidelines, and residents are never really sure which side of the "law" they're on.

For every Anshe Chung in Second Life, there is at least one other virtual entrepreneur who has found conditions on the Grid to be less than conducive to entrepreneurial success. After Linden Lab announced it would get into the virtual currency exchange business recently, the

most popular Linden-dollar exchange service chose to close its doors rather than try to compete with what was essentially a monopoly. Even Anshe herself, one of the most successful businesspeople on the Grid, has had a number of complaints about inconsistent policy decisions being handed down by Linden Lab, and many similar cases have been reported by other residents.

To realize the potential of a place like Second Life, cyberspace will have to learn to differentiate between gameworlds and virtual environments. To keep game worlds fun, companies will probably have to keep a tight and fairly arbitrary rein on how they're managed and make sure they retain enough authority to guide the world in the direction they want it to go. There's a lot

Though Linden Lab advertises Second Life as an online environment created by its residents ... the world runs less like an open experiment and more like a very traditional game-world.





of latitude here, though, because there are a lot of different things people find fun. If you don't like how one game world is run, there's probably another that will satisfy you, or there will be soon.

To carve out a corner of cyberspace that's truly a platform for experiments in business, culture, society and fun, though, non-game virtual worlds will have to let go of the reins just a bit and provide the kind of conditions under which these things flourish in the real world. Creating those conditions, though, involves a lot of hard work - as well as a measure of fun. Intense analysis and careful planning goes into hammering out and then maintaining real-world institutions like clear frameworks for rights and responsibilities, coherent and effective policing of whatever sort and a transparent judicial process. What the virtual analogs of these things will be remains to be seen, but they're the kind of things that will be needed before a virtual environment can truly become a robust and productive place. If the company isn't going to provide them, then it needs to step back even further and let residents hammer these things out on their own. At the moment, there

isn't a world in which that's happening, not even Second Life.

Toward the end of Castronova's book he warns against letting virtual worlds become online dystopias, and exhorts the builders and residents of such places to insure that they are integrated into our physical lives in a way that preserves our dignity and fulfills the potential of cyberspace. That's good advice. I'd take it a step further, though, and remind both the residents and the creators of virtual worlds not to look for too much from such places. Virtual worlds should be an added attraction on top of what we get out of the real world. If the only reason you're in a virtual world is that you can't be bothered to make the real world a rewarding place, well, that's no fun at all.

Mark Wallace is a journalist and editor residing in Brooklyn, New York, and at Walkering.com. He has written on gaming and other subjects for The New York Times, The New Yorker, Details and many other publications.



### **Console Clones**

#### by Spanner

Sony, Microsoft and Nintendo are ostentatiously dangling the carrot of seventh generation video game consoles, but how many more technologically advanced vegetables can the donkey be force fed? If the current retro revival trend sustains itself, I'm willing to bet the midnight queues on the release dates will be reduced to small, friendly gatherings of tech collectors and their kids.

It doesn't take a psychology student to figure out that I am firmly encamped in the "classic gaming" trenches, so I'm just going to go ahead and say it: Players don't care about hardware, and corporations don't care about software. Deciding which of these "amazing" new systems will best provide your personal gaming experience now seems impossible. The boundaries have been deliberately blurred in a cross-corporate attempt to convince players that the best option for everyone involved is to buy **all** the available hardware, then pick at the limited selection of software until third party developers take up the slack.

The market leaders are suddenly and desperately trying to slap either a price tag or a jail sentence on the emulation scene, as it has risen quickly to pose a legitimate threat to the next generation of consoles. We, the gamers, are in a position **right now** to take a lead from a region of players who have kept the corporations at arm's length since the beginning, and, for their refusal to comply, have been rewarded with one of the largest active video game back catalogues in the world.

Brazil is a country of seasoned, passionate players that have chosen a different path to video game enlightenment. But the whole of South America represents about 2% of the world video game industry, which is hardly going to capture the interest of avaricious conglomerates. Market reports and industry analysts quickly and efficiently sweep this gaping hole under the rug by blaming the region's slow economic growth, under investment in the ICT infrastructure and the stereotyped assumption that everyone who lives there is on the breadline.

This just isn't true. Brazilians have always been devoted gamers, sustaining many a failing system while we, the "first" world, binned them on our way to buy the **next** next big thing in video game technology. The successor to the original Magnavox Odyssey (the first ever video game console) was a massive hit in Brazil, living on far beyond the limited reaction it gained in its country of origin.

Philips, Magnavox's parent company, released the Odyssey console (known as the Odyssey 2 in the States) to the astonished Brazilian populace around

1981 and it thrived well into 1987, some four years after Philips had abandoned the system and Magnavox had pulled out of the video game race completely. Due to a delayed release of the system, Brazil's first experience of gaming delights was already backed up by a considerable catalogue of great games and was the only country in the world to be graced with the entire Odyssey game library, with a few titles released there exclusively.

What killed the Odyssey 2 in America was the stiff competition from the Atari VCS (later to become known as the Atari 2600), a market pattern that was mirrored in the Brazilian shops, only with a delicious twist on the usual difficulties faced by the video game industry. In Brazil, it wasn't software that was hijacked, but the hardware. One or two official Atari consoles had been sneakily imported by some of the more ardent Brazilian game fanatics, which was more frowned upon by the government of the time than the sudden and prolific influx of locally built, yet illegal, hardware. With Brazilians again introduced several years after the system's official release, missing the bombardment of propaganda about why upgrades are the most



important purchases of their lives, it seems they developed a keen taste for quality games - indifferent to the platform.

Exactly the same trend followed when Nintendo's flagship, the NES, also found its way across the border as an illegal immigrant. The NES format quickly began to dominate the localized market from the late '80s onward, despite the fact that Nintendo had never released or licensed its ground breaking console to South America.

Not only did Brazil embrace this marvel in video game history, but an increasing number of pirate consoles began appearing with additional features in an effort to beat the abundant competition. To differentiate between the two largest consumer bases, America and Japan,

Many of the NES and 2600 clones, still available today, even come with a multitude of games built into the system.

Nintendo had stemmed the import and export of games by employing different cartridge connections between the Famicom (Japanese version with a 60pin connector) and the NES (American version with 72-pins). Since Brazil had never been properly established on Nintendo's world map, no marketing decision had been made to determine how sales would be controlled. Being stuck in the middle, with an increasing number of legal and illegal NES cartridges being shipped in from across the globe, clone consoles began appearing in Brazil with two connectors to accept either of the formats. On top of that, some pirate cartridge manufacturers began turning out doubleended casings, with 60-pins at one end and 72 on the other! Many of the NES and 2600 clones, still available today, even come with a multitude of games built into the system.

When Sega became a contender for the world title with their 16-bit Mega Drive console, Brazil once again took an interest a few years down the line **after** a quality games catalogue had been established. The Master System (Sega's challenge to the NES) and the Mega Drive landed in Brazil about the same

The entire range of Sega consoles are still in manufacture today - the only region in the world where Sega is still selling hardware - while sales of the Playstation 2 and Xbox are noticeable only by their absence.

time, where the systems were licensed to a local manufacturer. They were already due for replacement across the rest of the world, so Sega wisely allowed their licensee more freedom for internal development than was usually permitted. This has kept cloning and piracy of Sega products to almost nonexistent levels throughout South America. The entire range of Sega consoles are still in manufacture today – the only region in the world where Sega is still selling hardware – while sales of the Playstation 2 and Xbox are noticeable only by their absence.

Philips made an effort to take their business to Brazil personally, but the majority of subsequent developers never bothered, so the other systems' identities were never properly established. This completely turned the tables on the way Brazilians perceived their game playing experience as compared with the rest of the world. The

software was already there, available in vast and diverse quantities, and would play in almost any console bought, so the buyer's quandary came in the form of deciding exactly **which** NES or Atari compatible clone offered the features they wanted.

Software wasn't a concern; it was the hardware that mattered.

What is particularly unusual is that no licensors, such as Atari or Nintendo, ever bothered to hunt down developers of pirate systems and software, which was just as contrary to their personalities **then** as it is **now**. Why did they leave Brazil alone when most executives at these companies would beat their own grandmother with a bag of sand for not handing the OEM a cut at every turn? Perhaps this was a 'pocket money' market that they knew would disappear overnight if their legal weight were to descend upon it, or perhaps they were

aware this was not a trade war they could win.

A society that has the strength of will to resist sparkling new consoles until the manufacturer concedes to providing a strong enough games library to support it is, in my opinion, not at the back of

the sophistication scale, but a guiding light to those of us buried in the future and unable to find our way toward video game paradise. The current manufacturer of Brazil's line of Sega licensed clones, which contain up to 100 built-in games as well as the cartridge slot for all your eBay purchases, is apparently drowning in requests from all corners of the globe as to the availability of these magnificent machines. People

is palatable to the seventh generation giants.

It's a remarkable notion that Sega, who pulled out of the hardware market due to their inability to compete with the original Playstation, may quite seriously pose a threat to the PS3 and Xbox 360 with a fifteen year old games system hardware that is affordable in a second

industry. Maybe we should all heed the wise Brazilian player who has been shouting above the white noise of insipid video game exploitation since the early '80s: "Who cares what new hardware is coming out? There's nothing left to play."

Spanner has written articles for several publications, including Retro Gamer. He



### **NEWS BITS**

#### **Jack Thompson Roundup**

available NOW!

Over the past week, Jack Thompson has made his way through the gaming news wringer. After offering to donate \$10,000 to charity if someone were to create a violent game based on a man whose child was killed by a gamer and reneging when a mod team did just that, Penny Arcade donated money to ESA Foundation in his stead. Thompson then appealed to the Washington State police, where Penny Arcade is based, claiming he'd been harassed by "Tycho" and "Gabe," Penny Arcade's web personalities. When Penny Arcade readers learned of Thompson's appeal, many contacted the Florida Bar Association, who resolved to launch and investigation looking into

Thompson's behavior. Thompson then threatened to sue the Florida Bar, and then asked for federal intervention on his behalf. The affair is only going to get bloodier before it gets better.

#### **DOOM** Debuts at Number One, Despite Bad Reviews

Though earning poor reviews from movie critics, gamers and other moviegoers rallied around The Rock's latest vehicle, earning *DOOM* \$15.4 million and the top box office spot for its first weekend. The respectable showing offers hope for the future of game-to-movie adaptations, including the upcoming Peter Jackson-produced *Halo*.

# Casual Friday CHECK BACK EVERY WEEKEND FOR ADDITIONAL CONTENT!

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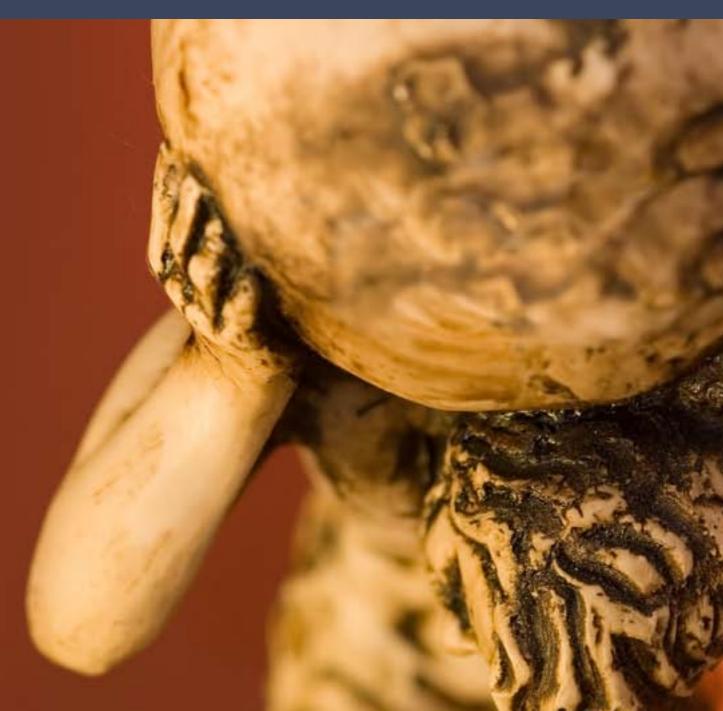
### **Outsourcing to America**

by Joe Blancato

It's the buzzword on every World Trade Organization flier ever created: **Globalization**. Globalization is the theory that by removing trade restrictions across the globe, industry reaches a point of perfect competition, which steadies prices and encourages innovation. The mystic solution to all things poverty, globalization is an extension of capitalist visions dreamed long ago by great minds, back before Stagflation and the digital revolution.

In theory, it's actually a pretty good idea. As time goes on, more and more countries will industrialize, get high speed data connections and take a swipe at the G8 for market dominance on any number of fronts. The brief (read: decades or centuries) economic turmoil nations will endure will ultimately be noted as ripples in the bank ledger of the infinite. But as new economic gods rise to topple the Titans of old, what happens to the foot soldiers on the front lines of the coming war?

They lose their jobs.



Which is why the software industry finds itself in a very precarious situation.

Workers are already suffering through a supply shock due to more and more advances being made to eliminate "assembly line" work every day, and exporting labor is only making things worse.

One **billion** in people in India and other Eastern nations are more than willing to do our grunt work if it means they can rake in a buck. They'll do anything for a fee much lower than what it would cost in the States: customer service, email spamming or programming. You name it, they'll hang the shingle from their door.

How can you blame a company for sacrificing just a bit of quality, blurring some nationalistic lines and getting for just pennies on the dollar? Sure, regulations are a bit spotty in other countries, but consumers are saving money on pretty much anything, when it doesn't have "Made in the USA" stamped on the tag. That's a decision we, as a country, decided was A-OK long ago.

We've been struggling with the duality of the American ideal for decades. Is it unpatriotic to buy foreign products, even though our capitalistic nature demands we search out better deals for perpetually growing shopping lists? The communists showed solidarity, and look where it got them!

In a way, these Indian service firms are about as capitalistically American as you can get. We've got money, and they're more than happy to take it. But as in all nations crawling their way out of the "economic basket case bloc," cheap labor isn't going to last forever. In fact, the price of outsourcing to India is already beginning to climb, just as it did in Mexico. And talented IT professionals born in India are making their way to the States in droves, much like talented Indian doctors.

This diaspora throws an interesting monkey wrench into the outsourcing mix. Sure, companies go to where labor is cheaper, but labor goes to where the money is better. The guys who are good enough to make it into Western firms on Western turf often leave, because while it's quickly improving in India, the standard of living in the USA is still a bit higher. This means the pool of talent over there is quickly depleting. So India isn't the country to worry about. No, to





see the real threat to American industry, we need to look across the Himalayas into China.

China's one billion-strong nation is on the grow, and they've caught the industrialization bug something fierce. As factories sprout up in what were once farming fields and gas prices soar to transport goods across a landmass bigger than the continental U.S., children are being educated with a very Eastern approach to Western production. Think of post-war Japan, only with ten times as many people. The Chinese government is quickly warming up to the idea of tipping the scales of commerce in their direction, and within the next century, it's likely they're going to have a shot at doing it.

And, remarkably, they're taking a stab at gaming.

They're investing \$1.8 billion dollars in online games over the next five years alone. Consider the fact their population is quickly moving into the digital foray; that only means more customers for everybody. Combine that with their recently passed laws to curb online gaming "addiction." What do you see? A change in development paradigm; all of

a sudden the gaming market is flooded with people forced into casual gaming, and the Chinese government is buying for \$1.8 billion worth of games to fit that standard. If American companies can even hope to capture the hearts and minds of the Chinese populace, it means they're going to need to show up at the Chinese Embassy in Washington, D.C., with some very revolutionary ideas on how to make a good online game. And it has to be more than a money grab if they want to remain in the land of a thousand dynasties for any discernable length of time.

But the Chinese aren't going to pay for games developed externally. Why would they? Part of a country's investment in homegrown production is the return will potentially increase their GDP. This doesn't mean foreign countries will necessarily be left in the cold, it just means foreign countries will have to open a new base of operations run by Chinese-born and naturalized Chinese citizens. They're using our globalization dream against us. They're using their money to lure more investment capital to their shores.

Western companies are already dipping their toes in the market, and China's virtual version of the Homestead Act is merely heating the pool to a comfortable temperature. The government has proved masterful: Not only do they offer a potentially larger gaming population than the States (they currently boast 1.5 million *WoW* subscribers, roughly half a million more than North America), they now offer cold, hard cash for setting up shop and catering to their residents.

It's not hard to foresee the future. China will more than likely continue to lean toward freeing up their market, but also isn't afraid of throwing money into developing markets previously cornered by America. Big firms, lured by grants and a truly **massive** customer base, will quickly start targeting Chinese customers, developing games with their mindset, and local laws, in mind. Imagine a game based on *Hero*, complete with the propaganda. Or enjoy a trip to the moon with Chinese

astronauts. How about an MMOG with characters that only live three hours?

And when Chinese gamers are the forefront of development choices and marketing, Chinese gamers will pursue gaming-related degrees, both domestically and abroad. And then they'll go home, use national funds to start their own companies, and design great games we in America can only dream about until they get around to localizing them to our tongue. But all isn't lost. Sure, games will be produced

in the Orient. But luckily, no one likes coding wind blowing through the trees.

Someone's still gotta do that, right?

Joe Blancato is a Contributing Editor for The Escapist Magazine, in addition to being the Founder of waterthread.org.



# Games you were neur meant to Play

by Hugh Duffel

I'm sure most of us remember our first imported game. There's something about playing a game that you were never meant to play that I can't describe. The feeling of getting away with something is half the fun. It takes a dedicated gamer to go to some of the lengths necessary to import games, and some even go so far as to buy a foreign console. Many times, this is just to buy games before they are released stateside. Because of the passion and determination needed, importing is almost exclusive to the elite class of gamers. I have a unique respect for hardcore importers; I consider them pioneers, opening new markets for foreign games the world over.

Importing has taken a much larger role in hardcore gaming with the emergence of CD based consoles. Rising development costs forced companies to be more selective with the games they produced for foreign markets. At the same time, software and hardware based copy protection and region control have made playing foreign games more of a challenge than ever before. I've been playing console games since the Atari 2600, but there always seemed to be enough games to hold me over until the next big one. But as we got into the new generations, it seemed that one killer title we were waiting for might never make it to our home country. Realizing

that, we had a choice to make: Suck it up and wait for the next one; or shell out for a mod chip or foreign console, and visit the local import game shop.

Sometimes we were saved by those gutsy publishers, like Atlas and Working Designs, who sometimes completely remade their games and weren't afraid to export something "sketchy." As gamers, we knew what we wanted, and when what we wanted wasn't understood by the industry, we had to go the extra mile to get our hands on something special.

On the other hand, gamers nearly turned some consoles into import-exclusive

platforms. Here in the U.S., some of my favorite games on the Sega Saturn were imports. *X-men Vs. Street Fighter* anyone? Or how about *Samurai Showdown IV*? Let's not forget *Radiant Silvergun* or the other shooters on the platform. These games were nobrainers; you didn't need to speak Japanese to play a fighting game or shooter. If you were willing to deal with the added cost of importing, then you'd get to experience a huge selection of excellent games not available to the U.S. market.

In many cases on the Saturn, even domestic releases became popular

imports from overseas. Being a huge fan of the series, I frantically searched for a U.S. version of Shining Force III in the hopes of continuing the epic series of turn-based strategies. In my quest to discover this game at a reasonable price, I uncovered an interesting bit of information: Sometimes, import roleplaying games (RPGs) are less expensive and more readily available than the localized versions. Because RPGs rely heavily on story, it makes sense the imports would be cheaper, but that usually doesn't stop a player from enjoying what he can glean, despite the language barrier. For less than the cost of the U.S. version of Shining Force III on eBay, I enjoyed both scenario one and three (scenario three was never released to the U.S.) on my Sega Saturn in Japanese. Obviously, there are some cases where the Japanese versions just won't do, which is why people like me are willing to pay \$107 for a copy of Panzer Dragoon Saga. After playing this game in English, I have to say that importing a game like that would be a travesty. But sometimes, it's all you can do.

Now, if a game can generate frenzy like this, years after release, there's

something to be said for the foreign market. And the game companies are taking note of what is imported. *Ikaruga* (descended from Treasure's *Silhouette Mirage* and *Radiant Silvergun*), *Guilty Gear X*, and *Project Justice*, just to name few, were some of my prized imports on Dreamcast. And look at how the industry responded. *Guilty Gear X* was localized on PS2 with several follow-ups and port versions; *Ikaruga* was re-released on the U.S. Gamecube; and several Dreamcast and Saturn fighters have made their way to mainstream consoles in the United States.

Sometimes though, it seemed companies were afraid to go the extra mile in an unknown market. Some games, like Project Justice and Dead or Alive II, were both released here in the U.S. with features cut out. Project Justice, and even previous U.S. incarnations of the Rival Schools series from which it hails, lack the custom character creation feature popular with the original versions. If you had a choice between the U.S. version and the import version for the same price, wouldn't the choice be obvious? Perhaps this timidity on the part of publishers is the result of skepticism about the openness of the

U.S. market to non-traditional game elements and styles. However, the popularity of importing makes it clear that hardcore gamers know a good game, no matter what language it's in.

As the big guys in the suits start to realize that the market for these sorts of games does exist outside of their normal release zones, I feel that companies will continue to take chances with less mainstream games and genres. With seguels of popular imports produced for the U.S., we're on the right track now to see a larger variety of games hit our shores than ever before. Importing spurs game companies to develop innovative games with new ideas and, further, encourages them to take more chances with new markets. For this evolution of the video game market, I think we should thank anyone who has ever bought an imported game.

Hugh Duffel is a student studying for a career in medicine at the University of Georgia with a minor in foreign language. When he isn't studying he enjoys playing MMORPGs, shooters, and assorted console games.





### MEET THE TEAM

Each week we ask a question of our staff and featured writers to learn a little bit about them and gain some insight into where they are coming from. This week's question is:

# "Think about your favorite consumer products. Are you more foreign or domestic?"

#### **JR Sutich, Contributing Editor**

As I look around, I think that I have a nice balance and there doesn't seem to be any sort of Trade Deficit. Unless we add in beer, then I'm heavily indebted to foreign suppliers.

#### Hugh Duffel, "Games You Were Never Meant to Play"

I generally don't pay too much attention to where my stuff comes from, although seeing as how most of what I buy involves video games and computer hardware/software it's probably safe to say I buy a lot of foreign things.

#### **Julianne Greer, Executive Editor**

You know, for the vast majority of the day to day stuff I use, eat or play with, I don't even think about or know where they come from. I guess that's kind of interesting statement on the global economy.

#### Joe Blancato, "Outsourcing to America", Contributing Editor

I'm going to have to go with domestic, if only because most of the technology in the stuff I buy is domestically researched and engineered. And discounting my classic Russian literature period, nearly all of the books I read are by American authors.

#### Spanner, "Console Clones"

There are very few things still made in England, so it's hard to shop at home unless you enjoy buying insurance policies and cakes. Being an enthusiastic Taoist and kung fu practitioner, our domestic and consumer products are wonderfully Chinese. Zhong Guo dongxi shi hen hao!

#### Allen Varney, "Serious Cro"

I'm quite fond of the many bizarre boutique paper-and-dice roleplaying games by independent designers sold on Indie Press Revolution. When you discuss stuff like Ron Edwards's astonishing Sorcerer and Luke Crane's The Burning Wheel, it's hard to call it "foreign" or "domestic" - sometimes you have to go with, I dunno, "extradimensional."

